

# Unlocking Africa's Growth Potential: Aligning Decision Making to Implementation and Delivery

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# Observations

- ▶ Today's theme suggests:
  - ▶ that African countries has the potential to grow but there seem to be a gap between decision making to implementation and delivery
    - ▶ This is a political economy question
  - ▶ A shift from business as usual to business as unusual
- ▶ Discussions of this Lecture will feed into the on-going review of the NDP and drafting of the next NDP

# I - Context

- ▶ General trends of growth performance of African countries
  - ▶ Undergone different growth episodes with different **solutions adopted** to spur growth
    - ▶ 1980-89 2.6%, 1990-99 2.2%, 2000-2011 6% Proj2015 5.8%
    - ▶ Period of structural adjustments
    - ▶ Period of governance related reforms e.g institutional reforms that were intended to unlock the growth potential
    - ▶ Shift from poverty focus to development focus (PRSPs to NDP)

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- ▶ Impressive growth since 2000s & rising “middle” class
    - ▶ Has partly led to growing interest in the continent as an investment destination and a place to do business;

## II - Then what is the Problem?

- ▶ Impressive unsustainable growth
- ▶ Concentrated in a few countries
- ▶ Growth driven by different factors e.g. those commodity driven growth (esp. oil), services, **BUT** growth in the manufacturing sector has not been impressive - some have argued that high value manufacturing is necessary to unlock Africa's growth potential
- ▶ Growth is not inclusive - marked with widening inequalities & growing vulnerabilities

### III - What are the obstacles to “desired” growth?

- ▶ (Desired growth - driven by high valued added manufacturing, high tech services, inclusive (at country level) and broad-based across African countries)
- ▶ There is no general consensus
  - ▶ Conventional wisdom (no state interference, private sector-led growth, global best practices, good governance etc)
  - ▶ New World Bank/IMF after the global financial crisis
    - ▶ Yet to realize mindset change with changing environment

- ▶ Alternative views - Failure to identify & understand the political economy *factors* as to why and when certain policies are adopted & whether they succeed in delivering the desired growth
  - ▶ The *factors* are decision making, implementation and delivery as highlighted in today's theme
    - ▶ Politics matters; institutions matters and state-society relations matters
      - ▶ Need to get all the three perspectives right if we are to unlock Africa's growth potential

- ▶ To get the politics rights, there is need to build developmental/effective states that:
  - ▶ Control corruption,
  - ▶ where political elite
    - ▶ are supportive of structural economic transformation
    - ▶ build development institutions (e.g. development plans, coordinate government business),
  - ▶ Recruit the best civil servants that are committed and able to deliver),
  - ▶ Forge closer partnership between government-business-society (consult but avoid being captured - esp. powerful interest groups),
  - ▶ provide policy space to technocrats (should not make them more powerful than the decision makers)

- ▶ In most African countries decision making powers remain concentrated among few individuals - this would not be a problem if these few individuals remain patriotic, innovative, long-term oriented (beyond regime survival) and pushing for inclusive growth & development. Otherwise, this creates capture by powerful interest groups, reduces on checks & balances - slows implementation
  - ▶ How about decisions that are made at regional levels to address development challenges of regional?
    - ▶ Ownership & implementation of such decisions at national level
- ▶ Many governments decide but then waver on implementation. We need to learn to decide and execute

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- ▶ For instance, countries/regional blocks have developed great policies, laws, leading reformers e.g. institutional reforms but with limited focus on implementation and delivery
    - ▶ Uganda has a well conceived NDP on paper, but with limited implementation - partly attributed to low levels of funding, buy in from some circles, self-interest etc

- ▶ Implementation hampered by:
  - ▶ Ministerial capacity, inter-ministerial cooperation/connections
    - ▶ Low levels of communication & cooperation - evident from the MPS
    - ▶ Mind-set change & team work
    - ▶ No innovative ideas to move the economy forward
  - ▶ Lower LoG - resources and human capacity to carry out & monitor implementation
  - ▶ Lack of rigors evaluation mechanism at the point of implementation that would guide any refinements to improve policy along the way
- ▶ Failure to identify strategic actors (from state, business, society)

## In conclusion

- ▶ Unlocking Africa's growth potential requires a better understanding of the political economy motivations of different actors
- ▶ Africa needs to focus on those conditions that allow strategic actors to cause effective actions.
- ▶ Once again, I wish to thank the organizers of this public lecture for the well thought through theme in memory of Joseph Mubiru, a man that died for his principles